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Internationalization of SMEs in a Developing Economy: A Triangulation Approach

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The potential of Small and Medium Enterprises (SMEs) to expand internationally is still largely untapped, especially in developing economies. The purpose of this study is to determine the different internationalization antecedents and their impact on the internationalization of SMEs in Sri Lanka. This study was conducted following a triangulation approach, where the quantitative findings are triangulated using qualitative techniques. The results of the study ascertained that marketing capabilities and networking capabilities significantly and positively affect the internationalization of Sri Lankan SMEs. Further, the study discovered that firm size moderates the relationship between networking capabilities and the internationalization of Sri Lankan SMEs. The study's findings provide SMEs' managers and owners with greater knowledge about how to take advantage of crucial elements that make internationalization successful. The results of this study assist policymakers in developing more effective measures and policies to assist SMEs in diversifying their global operations. Moreover, this study contributes to the existing theory by revealing how firm-level resources and capabilities affect the internationalization of SMEs from a resource-based point of view and a dynamic capability standpoint.

1.0. Introduction

SMEs play a crucial role in both national production and economic growth, and their significance has drawn substantial attention from throughout the globe. The momentous contribution of these SMEs to innovation, employment opportunity creation and economic restoration is significant (Westhead et al., 2001). According to the World Bank (2019), SMEs account for over 90 percent of all businesses, which equates to more than half of all employment in the world. SMEs constitute the backbone of Asia's economies, accounting for 97 percent of all businesses and 69 percent of the labor force (Asian Development Bank [ADB], 2020). Numerous studies have found that SMEs that have gone global benefit from increased productivity, development prospects, growth income, and inventive capacity compared to those who have not gone global (Karadeniz & Gocer, 2007; Ruzzier & Ruzzier, 2015; Safari & Saleh,

2020). As per the Export Development Board [EDB] of Sri Lanka (2021), there are over 3,000 SMEs registered as exporters in Sri Lanka. Nonetheless, their contribution to the export sector is significantly less compared to other developed and developing countries. According to the preliminary study, large number of research has been done on the possible causes of SMEs' internationalization in other countries, particularly developed ones (Karadeniz & Gocer, 2007; Onkelinx et al., 2016; Ruzzier & Ruzzier, 2015; Safari & Saleh, 2020). Despite the fact that scholars have been studying global entrepreneurship for many years, understanding of SME internationalization in developing nations is extremely low (Haddoud et al., 2020; Lakshman et al., 2023; Linan et al., 2019). To the best of the researcher's knowledge, there is little evidence on SME internationalization and its antecedents, particularly in the Sri Lankan setting. Furthermore, a single approach (qualitative or quantitative) has been employed in both local and interna-

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tional research to examine this phenomenon. Due to the complexity of internationalization, it is necessary to investigate this phenomenon using a variety of approaches in order to comprehensively understand the holistic depiction. Therefore, this study aims to investigate the effect of various antecedents and two moderators (firm size & age) on SME internationalization with respect to the Sri Lankan context. Based on the research aim, authors seek to address the following research questions; (1) What is the impact of identified antecedents on the internationalization of SMEs in Sri Lanka? (2) Does firm size and firm age moderate the relationship between internationalization and its antecedents? In order to address the inadequacies in one approach, the present study adopts a triangulation approach, which has gained significant attention in the contemporary research field. Through this study, policymakers and practitioners will further realize the importance of promoting SMEs in international markets.

2.0. Literature Review

2.1. Internationalization of SMEs

SMEs have gained significant attention in the world due to its widespread recognition as a major source of employment, revenue, poverty reduction, and regional development over the years (Vijayakumar, 2013). Studies revealed that SMEs have a significant impact on developing Asian nations and are essential to the region's economic growth (Child & Rodrigues, 2005; Hajela & Akbar, 2013; J. Wang & Ngoasong, 2012). Singh (2010) expounded on the many types of internationalization, stating that it encompasses not just exporting but also cross-border collaborations, joint ventures, subsidiaries, and branches. By highlighting the financial motive, internationalization is the process that enables businesses to penetrate new markets in order to launch new commercial ventures and generate significant profits (Costa et al., 2018). According to the World Trade Organization [WTO] (2016), internationalization can arise in several forms. Direct exporting, exporting through intermediaries, non-equity contractual arrangements, foreign direct investment (FDI) and other equity agreements are some examples of these forms. Exporting goods both directly and indirectly might be thought of as the initial phase of internationalization. The increased risk of alternative types of internationalization and the large fixed expenses are the reasons for this. As a result, academics used the terms "export strategy" or "exporting strategy" for the same idea of internationalization (Aspelund & Moen, 2001).

2.2. Theories of Internationalization

Internationalization theories provide practical guidance to more complex firms than ever before (Axinn & Matthyssens, 2002). Johanson and Vahlne (1977) framed a dynamic model of the internationalization process called the "Uppsala model." According to this model, businesses approach worldwide markets gradually and step-by-step, increasing their commitment to foreign locations from a

state of no foreign activity. Johanson and Mattsson (1988) investigated the internationalization process from a network perspective, drawing inspiration from the Uppsala model. These networks enable businesses to establish connections with various counterparties abroad, opening up new business prospects. Taking into account the theories of industrial organization, location, and transaction cost, Dunning (1979) developed an integrated framework known as "Dunning's Eclectic Paradigm." Dunning's main focus was on applying the following three factors to explain why corporations internationalize: 1. ownership advantages (O), 2. location advantages (L), and 3. internalization advantage (I). Under SME internationalization, the resource-based approach is a hypothesis that has been extensively researched (Brouthers et al., 2015; Lu & Beamish, 2001; McDougall & Oviatt, 2000). According to the resource-based approach, a company's distinct resources play a critical role in defining its competitive advantages (M. Andersen & Dejoy, 2011; Ojala, 2009; Ojala & Tyrvainen, 2008). The capacity to realign and align resources and competencies to make them more responsive to the business environment is assessed by dynamic capabilities (Teece, 2010).

2.3. Antecedents of Internationalization

The literature suggests that the primary drivers of internationalization may be divided into two clusters: internal and external (Agnihotri & Bhattacharya, 2015; Cavusgil & Zou, 1994; Leonidou, 1995; C. Sousa et al., 2008). Industry-level variables and export market drivers are examples of external factors, whereas firm and product-related characteristics are examples of internal factors (Safari & Saleh, 2020). According to literature, resource and capabilities such as management capability (Javalgi & Todd, 2011; Love et al., 2016; Ogbuehi & Longfellow, 1994; Yamakawa et al., 2013), human capital (Barney, 1991; Brambilla et al., 2012; Dar & Mishra, 2019; Kenny & Fahy, 2011; Mayson & Barrett, 2008; Rauch et al., 2005; Subramaniam & Youndt, 2005) marketing capabilities (O. Andersen & Suat Kheam, 1998; Dhanaraj & Beamish, 2003; Kotabe et al., 2002), technological capabilities (Dhanaraj & Beamish, 2003; Salisu & Bakar, 2019; Y. Wang et al., 2006) networking capabilities (Franco & Martins, 2020; Rutashobya & Jaensson, 2004; Safari & Saleh, 2020; Zhou et al., 2007) innovation capabilities (Gupta & Chauhan, 2021; Javalgi & Todd, 2011; Lepak et al., 2007; Ngoma et al., 2017) and financial capabilities (Hilgert et al., 2003; Huston, 2010; Kidwell & Turrisi, 2004; Lusardi et al., 2010; Oseifuah, 2010) leverage the sustainable competitive advantage of SME's in their process of internationalization. External factors include potential demand in the local and foreign markets, environmental uncertainty, infrastructure facilities, market opportunities, information availability, level of competition, and institutional policies (Gencturk & Kotabe, 2001; Harvie, 2010; Stoian et al., 2011). According to the resource-based viewpoint, different resource profiles offer several ways to establish a competitive edge in international markets (Westhead et al., 2001). Firm size and age are two of the most researched factors in foreign operations, as many SMEs view it as barriers to exporting (Ruzzier & Ruzzier, 2015).

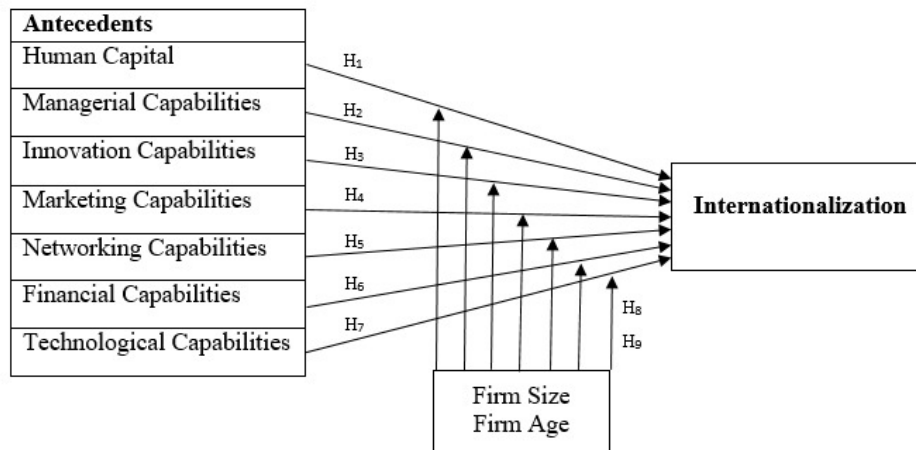


Figure 1. Conceptual Framework

While some researchers argue that firm size and firm age are direct determinants of the internationalization of a firm (Autio et al., 2000; Karadeniz & Gocer, 2007; Man et al., 2002; Manolova et al., 2010; Ruzzier et al., 2006; Ruzzier & Ruzzier, 2015; Westhead et al., 2001), various studies have found that firm size and age can act as moderators between its determinants and internationalization (Aziz & Samad, 2016; Chelliah et al., 2010; Farooq et al., 2021; Kijkasiwat & Phuensane, 2020; Rafiq et al., 2016; Shi et al., 2016; Uhlaner et al., 2012).

2.5. Conceptual Framework

Figure 1 demonstrates the conceptual framework developed for the present study after carefully reviewing the available literature. The resource-based view (RBV), as well as the perspectives on organizational and dynamic capabilities, provide the theoretical basis of the conceptual model.

3.0. Methodology

As a successful strategy for overcoming weaknesses in one aspect, the present study utilized both quantitative and qualitative approaches. Following the quantitative analysis, the present study conducted a qualitative analysis to triangulate our statistical findings. Triangulation is a rigorous scientific strategy that uses multiple ways to measure the same attribute to compensate for weaknesses in the research methodology (Brender & Carlander, 2006). Through the quantitative study conducted as the primary part, data was analyzed and outliers were identified. In order to have a better qualitative explanation for possibly varied phenomenological elements not recorded by quantitative measurements, interviews were done with the selected participants. The National Chamber of Exporters in Sri Lanka and the Export Development Board of Sri Lanka's SME directory served as the study's sources of participants. Data was collected through a self-administrated questionnaire distributed to a randomly selected sample consisting of 250 SMEs that are currently involved in any of the activities of exportation, direct investment, licensing of a product or service,

contracting, franchising, or any other global business activity during the last six months of 2022. A five-point Likert scale, with responses ranging from strongly disagree to strongly agree, was used in the quantitative portion of the current study. The research employed validated multi-item measures that have been assessed in earlier empirical studies. Prior to doing the large-scale quantitative research, a pilot study, commonly referred to as a "feasibility study," was carried out with 30 responses, ensuring the viability and reliability improvements and avoiding possible issues with the full-scale study. Descriptive and inferential statistics were analyzed primarily after ensuring validity and reliability, followed by a multiple regression analysis and a moderator regression analysis to check the established hypothesis. Following the quantitative analysis, qualitative data from four case studies gathered from interviews, company websites, company reports, social media, etc. were analyzed using the narrative analysis technique. Semi-structured interviews conducted under narrative analysis offered interviewees the space to go on narrative tangents and fully convey their internal narratives.

4.0 Results and Findings

4.1. Correlation Analysis

According to the correlation analysis presented in Table 2, the correlation between internationalization and human capital, managerial capabilities, marketing capabilities, innovation capabilities, networking capabilities, financial capabilities and technological capabilities are highly significant at the 0.00 significance level, indicating that all the independent variables have a highly significant positive correlation with internationalization.

4.2. Regression Analysis

The percentage of the dependent variable explained by the regression model is 18%, as indicated by the coefficient of determination (R^2) shown in Table 3. No assurance exists that a high coefficient of determination signifies "fitness,"

Table 1. Operationalization of the Variables

Variable	Measurement item	Adopted from
Human capital	Education level of the employees International experience of the employees International business skills of the employees Foreign market knowledge of employees	Dar and Mishra (2019)
Managerial capabilities	Necessary management expertise Coordination between every level of managers Managers' knowledge about international transactions Managers' experience in international operations Management commitment to learning	Hung et al. (2010) Kenny and Fahy (2011) Salisu and Baker (2019) Madushanka and Sachithra (2021)
Innovation capabilities	Special importance to innovative ideas Leads in innovation in the industry Supports new ideas from employees Reputation for innovation and novelty in the market Seeks product differentiation and innovative changes	Camison and Villar (2009) Salisu and Baker (2019)
Marketing capabilities	Use promotional activities Combine marketing resources and skills effectively Uses E-marketing Measures of customer service	Buccieri et al. (2020) Madushanka and Sachithra (2021)
Networking capabilities	Participates in networking events Budgets and resources allocated specifically for networking Monitor the relationships Engage with partners collectively in problem-solving Achieve synergy through working together	Kenny and Fahy (2011) Torkkeli et al. (2019) Salisu and Baker (2019)
Financial capabilities	Knowledgeable about its overall financial needs and goals Ability to obtain loans Knowledge about financial markets Access to equity capital Enough liquidity	Ruzzier et al. (2006) Madushanka and Sachithra (2021)
Technological capabilities	Higher competitive technology strategy Predict changes in the technological environment Continuous training programs Upgrade with new technology and standards	Salisu and Baker (2019)
Internationalization	We are satisfied with our international success We have achieved international turnover objectives ROI of International Investment	Torkkeli et al. (2019)
Firm size	Number of employees	Ruzzier and Ruzzeir (2015) Childs and Jin (2015)
Firm age	Number of years	Javalgi and Todd (2011) Ruzzier and Ruzzeir (2015)

Source: Authors

according to Hamilton et al. (2015). Similarly, because the statistic is heavily impacted by fluctuations in the independent variable, there is no certainty that a small R^2 suggests a weak link (Filho et al., 2011).

With a p value of 0.000 for the F statistic, the model is highly significant according to the ANOVA findings shown in Table 4. A combined positive association with internationalization is shown by the multiple correlation (R) of 0.427. There is a lower difference between adjusted R square and R square (R^2), which suggests that fewer unnecessary variables are included in the model. Since the result of the Durbin-Watson test statistic (1.695) falls between 1.5 and 2, it can be concluded that the residuals are independent. The regression findings have a high degree of validity since the residuals are independent. The probability of the F statistic is extremely significant, according to the ANOVA Table, suggesting that all of the independent factors jointly affect the dependent variable.

Table 5 shows that the probability of marketing capabilities has a very significant p value of 0.002, as indicated by the individual coefficients. Marketing capabilities have a significantly substantial positive influence on internationalization, as indicated by their beta value of 0.122. Based on the p value of networking capability (0.075) and the beta value (0.51) it indicates that networking capabilities have a marginally significant positive effect on internationalization. Managerial capabilities, innovation capabilities, financial capabilities, and technological capabilities have no individual effect on internationalization based on the insignificant p values, but those influence internationalization jointly with other variables. According to the absolute value of the standardized coefficients of beta values presented in Table 5, marketing capabilities (standardized coefficients of beta = 0.240) are the most influential factor in internationalization. Based on the variance inflation factor (VIF) values, there is no multicollinearity problem as all the

Table 2. Correlation Analysis

Independent variables		Internationalization
Human capital	Pearson Correlation	0.213**
	Significance	.001
	N	250
Managerial capabilities	Pearson Correlation	0.262**
	Significance	0.000
	N	250
Innovation capabilities	Pearson Correlation	0.297**
	Significance	0.000
	N	250
Marketing capabilities	Pearson Correlation	0.362**
	Significance	0.000
	N	250
Networking capabilities	Pearson Correlation	0.220**
	Significance	0.000
	N	250
Financial capabilities	Pearson Correlation	0.230**
	Significance	0.000
	N	250
Technological capabilities	Pearson Correlation	0.218**
	Significance	0.001
	N	250

Source: Survey data (2023)

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.427 ^a	0.183	0.159	0.22954	1.695

Source: Survey data (2023)

Table 4. ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.849	7	0.407	7.724	0.000 ^b
	Residual	12.751	242	0.053		
	Total	15.600	249			

Source: Survey data (2023)

Table 5. Coefficient Table

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
(Constant)	2.871	0.181		15.855	.000		
Human capital	0.023	0.037	0.048	0.628	0.531	0.568	1.761
Managerial capabilities	0.001	0.047	0.002	0.023	0.982	0.455	2.198
Innovation capabilities	0.045	0.036	0.097	1.280	0.202	0.584	1.711
Marketing capabilities	0.122	0.038	0.240	3.203	0.002	0.603	1.659
Networking capabilities	0.051	0.028	0.117	1.788	0.075	0.789	1.268
Financial capabilities	0.047	0.035	0.089	1.334	0.183	0.762	1.312
Technological capabilities	0.023	0.035	0.046	0.668	0.505	0.715	1.399

Source: Survey data (2023)

VIF values are below 10. All the tolerance values are greater than 0.1, further indicating no multicollinearity problem.

Table 6. Moderated Regression Analysis for Firm Size

ANOVA - Networking Capabilities and Moderator Firm Size						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.173	3	0.391	6.668	0.000 ^b
	Residual	14.427	246	0.059		
	Total	15.600	249			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.760	0.113		33.317	0.000
	NO.EM	-0.023	0.015	-0.093	-1.507	0.133
	Networking Capabilities	0.096	0.027	0.221	3.605	0.000
	Moderator Size	-0.040	0.017	0.147	-2.377	0.018

Source: Survey data (2023)

4.3. Moderated Regression Analysis

The Z score of both independent variables and moderator variables (firm age and firm size) has been calculated and multiplied value of Z score of the independent variable and the moderator has been used to create the moderator variables. After creating the moderator variables, multiple regression analyses have been run, including the moderator. Based on the significant p value ($0.018 < 0.05$) presented in [Table 6](#), the data revealed that the relationship between networking capabilities and internationalization is moderated by firm size. The negative B-coefficient for the size moderator indicates that the networking capabilities effect becomes more negative or less positive with increasing size. Also, it revealed that firm age does not moderate any relationship between internationalization and its antecedents.

4.4. Triangulation

Four case studies were investigated to triangulate the statistical findings mentioned in the previous section. All four companies selected for the triangulation are SMEs registered under the EDB of Sri Lanka. Due to time and cost constraints, the qualitative phase of this study is limited to four case studies. In the qualitative study, three semi-structured interviews were conducted with three companies, and secondary data was collected from all four companies. In addition to the interviews, qualitative data acquired from company websites, publicly available publications, and social media is used to recheck and underline the results and increase the robustness of the findings. A detailed interview guide is used to get directions and avoid any deviations when conducting the interviews. The collected data was then analyzed using narrative analysis, which involves identifying themes, patterns, and narratives within the qualitative data. By employing narrative techniques, the study aimed to gain deeper insights into the role of marketing capabilities and networking capabilities in SME interna-

tionalization, thus enhancing the validity of the statistical findings. [Table 7](#) summarizes the results of the qualitative analysis in comparison with the quantitative findings.

5.0. Discussion and Conclusion

The statistical findings of the present study were confirmed with many prior studies (Al-Aali et al., 2013; Dhanaraj & Beamish, 2003; Gupta & Chauhan, 2021) that marketing capabilities have a significant positive influence on the internationalization of Sri Lankan SMEs. In addition to the statistical findings, qualitative data sources also highly supported this notion. Through the interviews, it was found that manufacturing SMEs significantly use product differentiation as an effective marketing strategy. Such companies invest less in innovation as they are not required to develop completely new products as they produce based on customer requirements. The firm's capacity to customize its offerings and differentiate them from those of competitors and its price are important marketing capabilities (Kotabe et al., 2002; C. M. Sousa & Lengler, 2009).

Consistent with the prior studies (Gaur et al., 2014; Kalafsky, 2004; Manolova et al., 2010; Safari & Saleh, 2020; Zain & Ng, 2006; Zhou et al., 2007), the present study found that networking capabilities have a positive impact on internationalization. The interviews explored how important networking capability is as an effective strategy to overcome many barriers and stimulate successful internationalization. The present study demonstrated a moderating effect of firm size on the relationship between networking capabilities and internationalization. According to our analysis, the negative moderator effect implies that networking capabilities' effect on internationalization becomes more negative or less positive with the increasing size of the firm. At inception, smaller organizations need more capabilities and resources. Therefore, the significance of networking capabilities is high for SMEs before expanding their operations and gaining scale advantages. Com-

Table 7. Comparison of Quantitative and Qualitative Results

	Quantitative Results (N=250)	Qualitative Results (N=4)	Remarks
Marketing capabilities	Marketing capabilities have a highly significant positive impact (p-value 0.002) on the internationalization of Sri Lankan SMEs.	Marketing capabilities highly support Sri Lankan SMEs in internationalizing their businesses.	Both quantitative and qualitative results enhanced the validity of this finding.
Networking capabilities	Networking capabilities have a significant positive impact on the internationalization of Sri Lankan SMEs.	Networking with other partners has highly supported Sri Lankan SMEs in internationalizing their businesses.	Both quantitative and qualitative results enhanced the validity of this finding.
Technological capabilities	Technological capabilities did not report a significant effect on the internationalization of SMEs.	For most of the manufacturing SMEs technological capabilities helped them meet international standards and required output levels. Thus, it has a favorable impact on international performance.	Two different findings from quantitative and qualitative analysis. However, a lot of literature supports the qualitative finding.
Human capital, managerial capabilities, innovation capabilities, Financial capabilities.	No significant impact of these variables on internationalization was reported.	During the pandemic and economic crisis, interviewed SMEs did not focus on these factors. Thus, no influence was identified on internationalization during the interviews. But those factors have influenced their overall performance.	Both quantitative and qualitative results enhanced the validity of this finding.
Firm age	Not reported any moderation effect	Not revealed any difference with the age.	Both quantitative and qualitative results enhanced the validity of this finding.
Firm size	Firm size has a moderating effect on the relationship between networking capabilities and the internationalization of Sri Lankan SMEs.	Interviews revealed that when firms establish in size networking capabilities effect on international performance becomes less.	Both quantitative and qualitative results enhanced the validity of this finding.

Source: Authors compilations (2023)

pared to the early stages of businesses, the role of networking capabilities in SMEs is less significant as with their growth, they acquire various other resources and capabilities. Creating networks speeds up and shortens business learning processes (Knight & Cavusgil, 1996; Zahra, 2005).

Disagreeing with several prior studies (Chugan & Singh, 2015; Fernando & Samarakoon, 2021; Huston, 2010; Kenny & Fahy, 2011; Lusardi et al., 2010; Ngoma et al., 2017; Salisu & Bakar, 2019), the present study revealed that other resources and capabilities, such as human capital, innovation capabilities, managerial capabilities, and financial capabilities were less significant determinants of SME internationalization. The coronavirus epidemic caused the organization's focus to shift from expansion to survival during this difficult period. Equipping organizations with the ability to respond instantly to the continuing dynamism in their surroundings has become increasingly crucial (Yeniaras et al., 2020). In order to corroborate these results, we contend that companies are more focused on putting their current products on the market (by leveraging marketing capabilities) and utilizing their network connections to work together to create synergies than they are on the possibility of creating anything entirely new (innovation)

or expanding the business by leveraging financial capabilities, managerial abilities and attracting more human capital. Overall, study findings support the generalizability of the resource-based view and dynamic capabilities approach by emphasizing the importance of having unique resources and capabilities that can adapt to environmental dynamics during the internationalization process.

5.1. Managerial Implications

SMEs will gain from the study's findings in two distinct ways. SMEs will first have a deeper comprehension of the significance of different resources and capabilities that they must practice during the internationalization process. SME operations take place in a turbulent, complicated, and less encouraging business climate, particularly in developing nations like Sri Lanka. Therefore, in order to survive in the local market and grow into international markets, these firms must focus more on building their competencies. Second, the results will help SMEs comprehend the specific capacities to focus on in the event of a pandemic. Businesses that want to drive global must plan their marketing initiatives and make the most of their networking resources.

This is because global marketplaces are more difficult and competitive than domestic ones. More emphasis has to be placed on networking by SME owners and managers in order to create synergies through partnerships with both domestic and foreign businesses. In order to establish these mutually advantageous connections with domestic and foreign partners, SMEs must devote enough resources to the process. From the standpoint of the policymaker, government assistance in exploring new markets and disseminating knowledge about overseas markets is crucial for improving the formulation of marketing plans. Considering the significant expense of conducting market research abroad, it may be very helpful for SMEs to be able to leverage and use their marketing capabilities more effectively if the government could grant free or inexpensive access to these databases and information. The government and policymakers should address the trade-offs between various policies in order to smooth SME operations both locally and abroad. Policymakers need to promote and encourage the digital adoption of SMEs, which could offer countless benefits. SME participation in the global value chain and global trade is a critical success factor for any economy. Policymakers and the government need to facilitate and provide doors to find networking opportunities that are significant. Efforts should be made to give information and assistance to SMEs in order to find prospective business relationships and collaborative alliances. It is strongly advised to provide numerous other forms of financial and non-financial assistance such as local business incubators, business grants, tax concessions, advisory support, technical assistance etc.

to mitigate the negative impact of the limited financial capabilities of SMEs.

5.2. Limitations and Future Research

This study has several limitations. First, because this study is focused on a sample of Sri Lankan enterprises, its applicability to other developing and developed countries may be restricted. Because not all markets are equally uncertain, the same study might be performed in multiple contexts to assess the validity of the same results. The present study investigates internationalization through the lens of internal antecedents. More in-depth studies can be conducted by focusing on different perspectives, such as the constraints and motives of internationalization. Future researchers are especially encouraged to incorporate some external factors, such as government support, into the study model.

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